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THE OUTLOOK FOR MOROCCO

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

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Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 29 January 1957. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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THE OUTLOOK FOR MOROCCO

THE PROBLEM

To assess prospects for Moroccan stability and viability; and to estimate the probable orientation and policies of an independent Morocco over the next few years.

CONCLUSIONS

1. At least for the short term, the Sultan and the Istiqlal Party are likely to cooperate, and the Moroccan government will probably maintain an essential minimum of control over the country. Although extreme elements may break away from the Istiqlal and form opposition groups, the government probably will retain the capability for keeping political extremism in check for the next year or two. Over the long run, mounting political opposition probably will compel the Sultan to cede much of his secular authority to representative political leaders. (*Paras. 10, 22*)
2. Morocco's economic difficulties will continue to be severe over the next few years. We estimate that Morocco now requires up to \$100 million of new foreign investment annually even to maintain the present low standard of living. (*Paras. 14, 16*)
3. So long as Morocco remains economically dependent on France, the French will be able to retain some special privileges in Morocco. (*Paras. 13, 15*)
4. Morocco will almost certainly not reach a settlement on major issues with France as long as the Algerian conflict continues. An intensification of that conflict would lead to increasing violence against French *colons* and troops in Morocco, in which event, the Moroccan government might be unable to control widespread disorders. (*Paras. 10-12, 19*)
5. Morocco will look increasingly to the US for diplomatic support and economic aid, especially if friction with France continues. Should the US fail substantially to meet Moroccan expectations, the present leadership would probably seek greater diversification of its sources of aid, turning to certain Western European nations and even to the Soviet Bloc. However, Communist Bloc countries are unlikely to develop any substantial influence in Morocco over the short term. Given US support and assistance, the Moroccans are likely to regard continuation of the US base program with favor. (*Paras. 17, 21*)

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~~DISCUSSION~~

6. In the little more than a year since Sultan Mohammed V regained his throne, Morocco has achieved independence and has entered the UN. However, Morocco faces critical problems in attempting to: (a) maintain internal control and achieve political integration and stability; (b) arrive at an acceptable relationship with France; (c) obtain vitally needed external aid, and (d) define its relations with the Arab world, with the West, and with the Soviet Bloc.

7. Morocco now incorporates the former French-protected zone, the Spanish northern and southern zones, and the International Zone of Tangier — with a total population of roughly 10 million. The former protectorate arrangement tended to strengthen regional divisions; for at least the short term the Sultan's continued rule therefore will be essential to the maintenance and extension of indigenous political and military authority. The Sultan, a shrewd politician, wishes to modernize Morocco under his personal guidance and authority.

8. All authority derives from the Sultan as both political and religious leader of the state. The Sultan has enhanced his strength by avoiding the struggles attending the daily operations of the government, and by committing his reputation and authority only on issues likely to magnify his prestige. He alone bridges the gulf between the modern and traditional elements of Moroccan society: between the rapidly multiplying working class, the small urban middle class, and the semi-feudal tribal communities still found in much of the countryside. A national consultative assembly has been appointed as an ostensible start toward a constitutional monarchy, but the Sultan almost certainly will not permit any early decrease in his authority.

9. The foremost challenge to the Sultan's position will come from the strength and ambitions of the Istiqlal Party. The party faces a dilemma, since it cannot demonstrate its strength without a parliamentary regime, but must gain greater initiative in govern-

ment in order to retain popular support. The Istiqlal is led by Foreign Minister Balafrej, whose views appear in harmony with those of the Sultan, and by the fiery religious scholar, Allal el Fassi, whose more extreme outlook has been shaped by years of bitter fighting against the French. Thus far there has been no open break with the Sultan nor any formal cleavage within the Istiqlal leadership on issues such as composition of the government, future constitutional reforms, and economic and social programs. However, the Istiqlal's labor federation ally, the *Union Marocaine du Travail* (UMT) with a dues-paying membership of about 300,000 (it claims a million members), is likely to exert increasing pressure upon the party and the government to fulfill the economic and social expectations aroused by independence. In addition, militant Istiqlal factions, as well as remnants of the largely disbanded guerrilla Liberation Army still active along Algeria's borders, will increasingly demand expulsion of French interests and profound political, economic, and social changes. Although the outlawed Moroccan Communist Party's current membership is numbered only in the hundreds, it will continue efforts to infiltrate the UMT, as well as the Istiqlal, and to drive the UMT toward a more extreme position.

10. Istiqlal leaders will be pressed to adopt policies at variance with the moderate course of the Sultan and his close supporters. For at least the next year or more, however, we believe that both sides will try to prevent any sharp break in their relations. There are likely to be numerous disputes: the Sultan may make greater efforts to organize his independent supporters politically, and will continue to insist upon a coalition government; Crown Prince Moulay Hassan's interference in political matters will be resented by the Istiqlal; the consultative assembly may seek to assume broader powers than the Sultan has intended; and more extreme Istiqlal and labor elements may attempt to form an opposition grouping. But urgent requirements

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for a united front against the French, for external aid, for a solution to the Algerian problem, and for extension of central administration to cope with regional and tribal particularism probably will dictate continued co-operation between the Sultan and the Istiqlal leaders. In these circumstances, the Moroccan government is likely to be able generally to maintain an essential minimum of internal control for the next year or two, by relying on its 30,000-man army and by distracting a restive populace with such issues as withdrawal of French troops and advancement of territorial claims. The most serious danger to that control is the possibility of some Moroccan-French conflict which would set off a chain reaction of widespread disorders. Another danger is posed by tribal disturbances which could arise from the spread of political unrest to the countryside. Inability of the Moroccan government to control such disorders could lead to a breakdown of authority.

11. Since early 1956, Morocco has been trying to negotiate new ties with France, which has neither ratified relinquishment of its protectorate nor abandoned the aim of "interdependence" with Morocco. Negotiations have been greatly complicated by the presence of about 300,000 *colons* and 80,000 French troops (only six percent of which are African natives) in the former French zone, and by the continuing controversy over Algeria.¹ The French are inhibited by the need to safeguard their commercial interests and the lives and property of the *colons*. On the other hand, Morocco is restrained in dealing with France by: its need for external aid, France's control of its currency, the orientation of its trade toward France, and its dependence on the *colons*. During the next year or two, large-scale emigration of skilled French technical, administrative, and security personnel would seriously hamper government operations and could spell the loss of vital economic services.

12. Negotiations between France and Morocco over the status of the *colons* and the defini-

¹ Morocco has similar but much less critical problems with respect to Spain. About 40,000 Spanish troops and over 100,000 Spanish nationals remain in Northern Morocco, where Spanish currency continues in use.

tion of "interdependence" are likely to be protracted. Meanwhile, the Moroccans probably will continue their attempts to diminish Morocco's reliance on France, will seek to reduce the number of French troops in Morocco, and will chip away at the privileged status of the *colons*. Despite the efforts of the Moroccan government to insure a peaceful transition, there may be further attacks on the *colons*. If the Algerian conflict is intensified, there will be a better than even chance of *colon* massacres. Over the long run, the general emigration of the *colons*, or at least the loss of their special privileges, appears inevitable.

13. Morocco must continue to rely on foreign financial assistance for its development needs. In the past France has been the principal source for both public and private investment. Morocco's trade pattern and currency arrangements within the franc area have also made it heavily dependent on France. Exports pay for only somewhat more than half of imports. The foreign exchange deficit has been covered mainly by local expenditures on US airbases (\$30-50 million a year on the bases and \$20 million in local expenditures by US nationals from 1951-1954), by French civil and military expenditures in Morocco (of more than \$100 million a year from 1952-1954), and by French public and private investment (\$70-90 million a year from 1951-1954).

14. Morocco's economic difficulties will continue to be severe over the next few years. Political and economic uncertainty has curtailed production and trade and led the French to repatriate their capital (at a rate estimated as high as \$150 million in 1956) and to delay any new investment. At the same time, the Moroccan government is faced with new and expensive responsibilities arising from its independent status. Whereas in the past revenues permitted allocations for development, they are now insufficient even to meet ordinary government expenditures. Unemployment, chronic in the past, has risen rapidly.

15. France agreed to lend Morocco \$75 million for its development budget in 1956 but still withholds one-third of the amount.

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While the French Assembly appropriated \$90 million for use in Morocco in calendar 1957, of which perhaps \$70 million is planned as loans for the Moroccan development budget, France will delay release of these funds in hopes of obtaining concessions regarding a defense agreement and preservation of its other interests. At most, French economic aid will probably be no more than in the past; its precise amount will be determined by hard bargaining in which French efforts to preserve large influence over the Moroccan economy will be resisted. Morocco has already sought US aid of \$70 million annually for three years, but this amount has been refused on grounds that it would supplant French aid. However, if French aid is decreased, Morocco will turn to the US and, failing that source, will probably seek assistance elsewhere (e.g., West Germany), including even the Soviet Bloc.

16. Morocco will continue to need supplementary outside assistance even when the present difficult situation is overcome. It needs up to \$100 million of new investment each year just to maintain the present annual average per capita income (\$125) of its population — increasing at an estimated two percent a year — and considerably more to increase that income. While its natural resources are substantial compared with those of other North African countries, private foreign capital is unlikely to be invested in amounts larger than in the past. For at least the short run, both ordinary budget deficits and a shortage of foreign exchange are likely.

17. France also has a large stake in forthcoming discussions regarding the US bases, which were originally set up without consulting Morocco. Even if Morocco continues to insist upon separate negotiations with the US and with France, as seems probable, the question is closely tied to France's future defense responsibilities. There are some problems involving the US which may not be solved unless there is either full cooperation or a complete break between France and Morocco on defense issues. In any case, the issues are such that lengthy negotiations between the US and Morocco seem unavoidable. The

Moroccans generally are likely to regard continuation of the base program with favor. However, they probably will press increasingly for larger US economic aid, and insist that a new base agreement be restricted to a set period and be subject to frequent review.

18. In their conduct of foreign relations the Sultan and his government have in general tended to regard Morocco as a bridge between the West and the Arab world, uncommitted fully to either grouping. On the other hand, Morocco will probably join the Arab League, though Moroccan leaders will continue to be wary of Egypt's drive toward hegemony in North Africa. Membership in the Arab League probably would not lead in the next few years to adoption of anti-Western or neutralist policies by Morocco.

19. The Algerian conflict is increasingly endangering the prospect of an amicable settlement between Morocco and France. Moroccan unofficial material aid and diplomatic and propaganda support for Algeria are increasing. Should France fail to reach an Algerian settlement soon, Moroccan aid to the rebels and French countermeasures probably would dispel any chance of establishing a special relationship between France and Morocco. In the event of widespread attacks on the *colons* resulting in conflict between Moroccan and French armed units, France might attempt at least partial re-establishment of military control in Morocco. On the other hand, if France were to propose further concessions to the Algerian nationalists, it might be able to use the Sultan's moderation and ambition to secure his intercession for an Algerian settlement. In any event, Moroccan territorial claims with respect to both Algeria and Mauritania are bound to create new friction. Morocco's relations with Spain are also likely to become embittered by controversy over North African areas remaining under Spanish sovereignty.

20. Another effect of the Algerian strife is its tendency to increase sentiments for unity between Morocco, Tunisia, Algeria, and possibly Libya. The recent amalgamation of leading Moroccan, Tunisian, and Algerian labor federations may foreshadow greater efforts to-

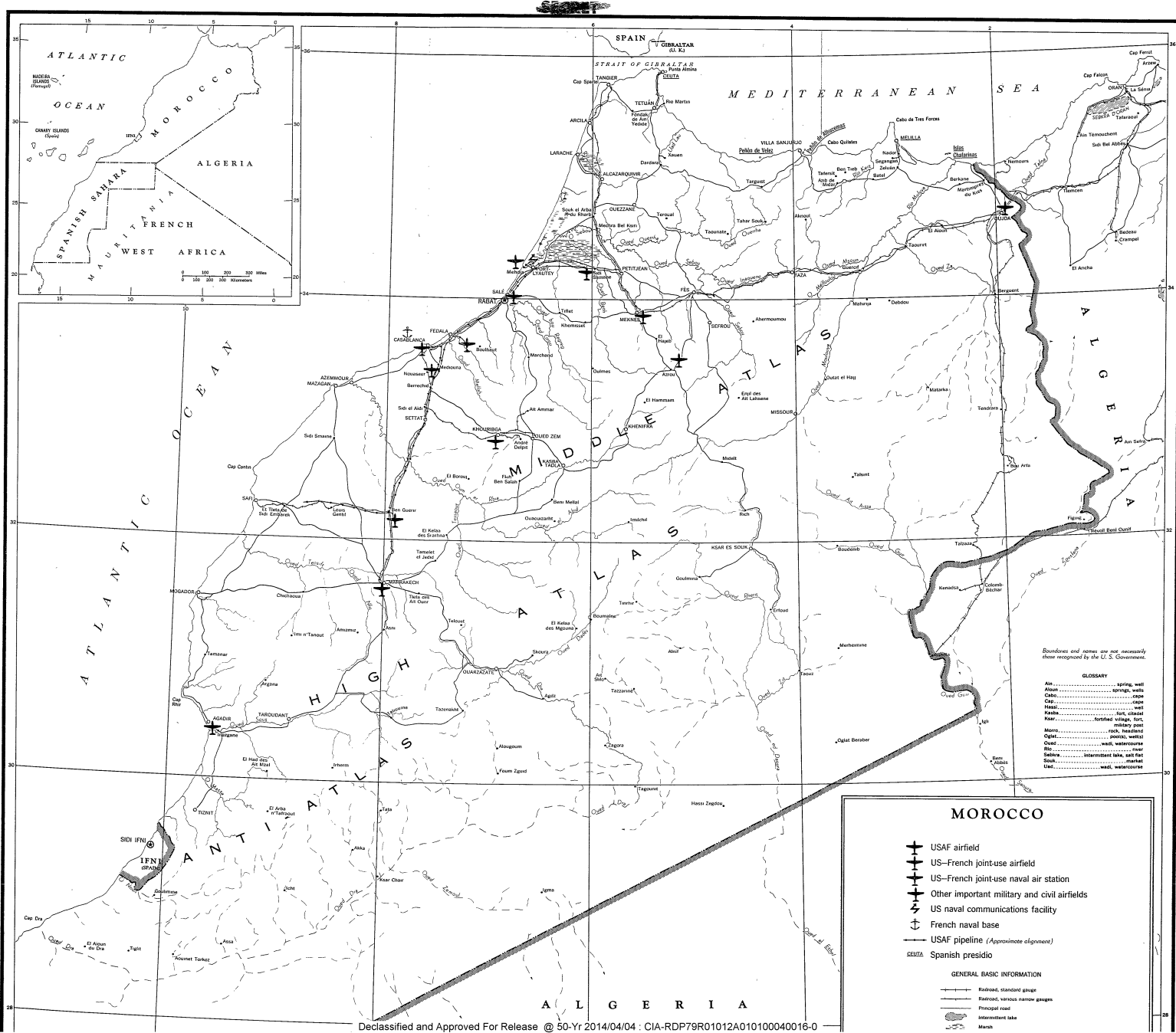
ward eventual founding of some form of political federation. On the other hand, progress toward a federation is likely to be accompanied by a contest for leadership between the Sultan and Tunisian Premier Bourguiba.

21. Continued friction with France will lead Morocco to look increasingly toward the US both for diplomatic support and for aid to supplant that now received from the French. Should the US fail substantially to meet Moroccan expectations, even the present leadership may be compelled by internal pressures to adopt a less cooperative attitude. In any case Morocco is likely to establish formal diplomatic and expanded commercial relations with Communist Bloc countries within the next year or two. While those countries are unlikely to develop any substantial influence

in Morocco during the next few years, they may do so beyond that period if appreciable progress is not made toward a stable and viable Moroccan regime.

22. Over the longer term, mounting political and economic grievances and Istiqlal opposition probably will erode the position of the Sultan. Much — if not all — of his secular authority is likely to be relinquished to representative political leaders, at least at the outset probably under a constitutional monarchy. Should such leaders fail to obtain essential external aid and to cope with likely disturbances, they in turn probably would be supplanted by more extreme and anti-Western regimes. Control of the Royal Moroccan Army would prove decisive in an internal contest for power.

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